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The following constitutes the order of the Court.
Signed: May 1, 2023

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Charles Novack
U.S. Bankruptcy Judge

Attorneys for
The Roman Catholic Bishop of Santa Rosa

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re:

THE ROMAN CATHOLIC BISHOP OF
SANTA ROSA,

Debtor In Possession.

CASE NO. 23-10113

Chapter 11

Date: April 28, 2023

Time: 11:00 a.m.

Location: 1300 Clay Street, Ctrm. 215
Oakland, CA

[In person or via Zoom]

Judge: Hon. Charles Novack

Order Shortening Time

**AMENDED¹ INTERIM ORDER (1) AUTHORIZING CONTINUED USE OF EXISTING
CASH MANAGEMENT SYSTEM, OPERATIONAL BANK ACCOUNTS AND
RELATED INVESTMENT ACCOUNTS; (2) EXCUSING COMPLIANCE WITH
SECTION 345(b); AND (3) AUTHORIZING CONTINUED USE OF CURRENT
INVESTMENT POLICY**

The motion of The Roman Catholic Bishop of Santa Rosa (“Debtor”), debtor in possession, seeking entry of an order (1) authorizing continued use of existing cash management system, operational bank accounts and related investment accounts; (2) excusing compliance with section 345(b); and (3) authorizing continued use of current investment policy (the “Motion”), came on for further hearing on April 28, 2023, at 11:00 a.m., in Courtroom 215 of the United States Bankruptcy

¹ This order is amended after the hearing on April 28 as to the provisions in paragraph 8 below and to note the continued final hearing date in paragraph 15.

1 Court for the Northern District of California. The Debtor appeared through its counsel, Paul J.
2 Pascuzzi. Other appearances were noted on the record. All capitalized terms used but not defined
3 herein shall have the meanings given to them in the Motion.

4 The Court has considered the Motion, the Declaration of Deacon Joe Oberting in Support
5 of Chapter 11 Petition and First Day Motions, the Declaration of Deacon Joe Oberting filed in
6 support of the Motion, the Declaration of Adrienne Moran in Support of Chapter 11 Petition and
7 First Day Motions, the United States Trustee's Omnibus Objection to Debtor's First Day Motions
8 [ECF Nos. 5, 6 and 8] and Reservation of Rights (the "U.S. Trustee Objection"), the United States
9 Trustee's objection to final approval of the Motion (Docket No. 70), and the matters reflected in
10 the record of the hearing held on the Motion on March 16, 2023 and on April 28, 2023. The Court
11 having found that it has jurisdiction over this proceeding; that this is a core proceeding; that notice
12 of the Motion has been given to the Office of the United States Trustee, the twenty largest unsecured
13 creditors, all secured creditors, if any, and any applicable governmental entities; that no further
14 notice is necessary; that the relief sought in the Motion is in the best interests of the Debtor, its
15 estate, and its creditors; and that good and sufficient cause exists for such relief.

16 Accordingly, it is hereby ORDERED as follows:

- 17 1. The Motion (Docket No. 5) is GRANTED on an interim basis as set forth herein;
- 18 2. The Debtor is authorized to: (a) designate, maintain, and continue to use its existing
19 bank accounts disclosed in the Motion with the same account numbers, provided however that the
20 Debtor in Possession shall use its best efforts to arrange for the accounts to be designated as debtor
21 in possession accounts by the relevant banks; and (b) continue to use its existing cash management
22 system disclosed in the Motion. In connection with the ongoing utilization of the cash management
23 system, the Debtor shall continue to maintain strict records with respect to all transfers of cash so
24 that all transactions may be readily ascertained, traced, recorded properly, and distinguished
25 between pre-petition and post-petition transactions.
- 26 3. Each of the Debtor's existing depository and disbursement banks (collectively, the
27 "Banks") is authorized to debit the Debtor's accounts in the ordinary course of business without
28 the need for further order of this Court for: (i) all checks drawn on the Debtor's accounts which are

1 cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the
2 Petition Date; (ii) all checks or other items deposited in one of Debtor's accounts with such Bank
3 prior to the Petition Date which have been dishonored or returned unpaid for any reason, together
4 with any fees and costs in connection therewith, to the same extent the Debtor was responsible for
5 such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of
6 the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash
7 Management System.

8 4. Any of the Debtor's Banks may rely on the representations of the Debtor with
9 respect to whether any check or other payment order drawn or issued by the Debtor prior to the
10 Petition Date should be honored pursuant to this or any other order of this Court without any duty
11 of further inquiry and without liability for following the Debtor's instructions.

12 5. That (i) those certain existing deposit agreements between the Debtor and its Banks
13 shall continue to govern the post-petition cash management relationship between the Debtor and
14 the Banks, and that all of the provisions of such agreements, including, without limitation, the fee
15 provisions, shall remain in full force and effect, and (ii) the Debtor and the Banks may, without
16 further Order of this Court, agree to and implement changes to the Cash Management System and
17 procedures in the ordinary course of business

18 6. The Debtor and the Banks are hereby authorized to continue to perform pursuant to
19 the terms of any pre-petition agreements that may exist between them, except to the extent
20 otherwise directed by the terms of this Order. The parties to such agreements shall continue to
21 enjoy the rights and remedies afforded to them under such agreements, except to the extent
22 modified by the terms of this Order or by operation of the Bankruptcy Code.

23 7. The Debtor is authorized to continue to use its existing business forms and stationery
24 without alternation or change.

25 8. The Debtor is authorized to continue its current investment practices as described in
26 the Motion and related pleadings, including but not limited to the use of the Merrill Lynch Stock
27 Transfer Account, the Extension Mission Diocese account and funds on deposit with the Catholic
28 Community Foundation. Pending further order of this Court, the Debtor in Possession is not

1 authorized to use or transfer funds in the PNC Investment account or the Extension Mission Diocese
2 account. The Debtor is authorized to move its funds on deposit with the Catholic Community
3 Foundation to a Debtor in Possession account at a financial institution that has entered into an
4 authorized depository agreement with the United States Trustee with respect to the Northern
5 District of California.

6 9. The Debtor shall use its best efforts have its existing accounts at Wells Fargo, West
7 America Bank, Summit State Bank and U.S. Bank designated by these banks as "Debtor in
8 Possession" accounts and shall report on such efforts at the final hearing on this Motion. The
9 Debtor and the U.S. Trustee shall meet and confer as to the U.S. Trustee's objections in paragraphs
10 25 and 27 of the U.S. Trustee Objection.

11 10. Neither this Order, nor the Debtor's payment of any amounts authorized by this
12 Order, shall: (i) result in any assumption of any executory contract by the Debtor; (ii) result in a
13 commitment to continue any plan, program, or policy of the Debtor; or (iii) impose any
14 administrative, pre-petition, or post-petition liabilities upon the Debtor.

15 11. In granting the Motion, the Court is not making any findings or determinations as to
16 what is or is not property of the estate. Nothing herein constitutes a judicial approval or disapproval,
17 or judicial determination, of what assets are or are not restricted or held in trust or property of the
18 estate or what expenditures are reasonable or appropriate.

19 12. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed
20 to apply to the subject matter of this Order, such stay is hereby waived.

21 13. Nothing in this Order authorizes the Debtor to make any payments that benefit,
22 directly or indirectly, any credibly accused perpetrator of abuse, whether for wages, support,
23 housing, prepetition claims, retirement or otherwise.

24 14. The Court shall retain jurisdiction to hear and determine all matters arising from
25 implementation of this Order.

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1 15. The final hearing on the Motion is continued to May 12, 2023, at 11:00 a.m.

2 APPROVED AS TO FORM.

3 OFFICE OF THE UNITED STATES TRUSTEE

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5 By: /s/ Jason Blumberg
 Jason Blumberg

6 STINSON LLP

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8 By: /s/ Robert T. Kugler
 Robert T. Kugler
9 Attorneys for the Official Committee of Unsecured Creditors

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11 ***END OF ORDER***

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Court Service List

No service required